

(800) 473-6757

Call the  
**MOSTARS**  
Information  
Center  
to speak with trained  
staff members about  
any story in this  
newsletter  
as well as to obtain  
free information about  
state and federal  
student financial  
assistance programs.

(573) 751-3940

May 2000



Missouri Student Assistance Resource Services

MOSTARS is a division of the Missouri Department of Higher Education.

## MSLP Reduces Exceptions to Common Manual Policy

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FFEL  
Program

The Missouri Student Loan Program will eliminate some of its exceptions to common policies that currently appear in Appendix C of the July 1999 Common Manual update.

Most notably, the MSLP will eliminate exceptions to the Common Claim Initiative claim file documentation policies. Currently, the MSLP's Appendix C entries for Common Manual subsections <sup>CCI</sup>8.2.G., <sup>CCI</sup>8.2.H., <sup>CCI</sup>8.3.B. and <sup>CCI</sup>8.10 all reflect the general expectation that, under the CCI claim filing process, the MSLP expects the lender to continue to submit a complete collection history over the life of the loan or from repurchase forward, including a detailed payment history and copies of applicable deferment forms or forbearance agreements covering deferment or forbearance periods. Effective beginning with the MSLP's implementation of the claims segment of the CCI, the MSLP will not require claim file

documentation that exceeds the claim file documentation requirements of the CCI. An announcement regarding the MSLP's target date for acceptance of the standardized claim form and the implementation of the associated CCI-related claims policies will appear in a future newsletter.

In preparation for the reduced claim file documentation requirements of the CCI, the MSLP will implement the following change early: For claims originally filed on or after July 1, 2000, the MSLP will no longer require the lender to submit applicable deferment forms or forbearance agreements. Until the MSLP implements the claims segment of the CCI, the MSLP will require the lender to submit servicing history information that supports each deferment or forbearance period in accordance with Common Manual subsection 8.3.B. under item No. 7, "Deferment/Forbearance Documentation."

See Common Manual, page 4

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Beth Ziehmer  
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This portion of the MOSTARS newsletter includes questions and answers regarding various topics brought to our attention by MOSTARS clients.

If you happen to see one of your questions published, give yourself a pat on the back for asking a question that may benefit other clients.

In addition, if you think there is a need for a published clarification on a particular topic, contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940 to discuss the topic. We may include the question in a future issue of MOSTARS. ★

How do consolidation loans affect a postsecondary institution's cohort default rate?

**A** Federal Consolidation Loan borrower is included in the numerator of the cohort default rate calculation for the federal fiscal year in which the borrower's underlying Federal Stafford Loans enter repayment. The borrower is included in the denominator of the same calculation if the Federal Consolidation Loan defaults by the end of the FFY following the FFY in which the underlying Federal Stafford Loans entered repayment.

Example: A Federal Consolidation Loan consists of two Federal Stafford Loans: a \$2,625 subsidized loan and a \$4,000 unsubsidized loan. Both loans entered repayment on Dec. 18, 1997 (during FFY 1998). The Consolidation Loan was made Jan. 1, 1998, and defaulted July 28, 1999 (during FFY 1999). The borrower is included in the numerator and denominator of the FFY 1998 cohort default rate calculation because the underlying loans entered repayment in FFY 1998 and the Consolidation Loan defaulted by the end of FFY 1999 (the FFY following the FFY in which the underlying loans entered repayment).

Are Federal PLUS loans included in cohort default rates?

**N**o. Only subsidized and unsubsidized Federal Stafford Loans and Federal SLS loans are included in cohort default rates.

Are draft cohort default rates released to the public?

**N**o. Draft cohort default rates are not released to the public; however, an institution receives its own draft cohort default rate, which is provided with the annual Loan Record Detail Report from the U.S. Department of Education.

Are Federal Stafford Loan delinquencies reported to the National Student Loan Data System?

**N**o. The guaranty agency reports changes in loan status to the NSLDS (for example, default claim payments), not delinquencies. The Student Aid Report or Institutional Student Information Record will not reflect delinquencies because borrowers' eligibility for Title IV or state financial aid is not affected by delinquencies.



## For Your Convenience

An information box indicating subject matter accompanies each article in this newsletter. This box also contains the name of the article's contact person (where applicable) and his or her phone number and e-mail user ID. The formula for e-mail addresses at MOSTARS and the Missouri Department of Higher Education is as follows:

**USER ID@admin.mocbhe.gov**

Remember, you also can contact the MOSTARS Information Center at  
(800) 473-6757 or (573) 751-3940.

## MSLP Provides Ombudsman Information

The 1998 Reauthorization of the Higher Education Act of 1965, as amended, requires lenders and guaranty agencies to make Student Loan Ombudsman information available.

Per 34 CFR 682.208 (c)(3)(i-ii), if the borrower disputes the terms of the loan in writing and the lender cannot resolve the dispute, the lender's response must provide the borrower with an appropriate contact at the guaranty agency for the resolution of the dispute. Likewise, if the guaranty agency cannot resolve the dispute, the agency's response must provide the borrower with information on the availability of the U. S. Department of Education Student Loan Ombudsman's office.

The MSLP has responded to inquiries from lenders and is providing the following contact information to borrowers who are unable to resolve issues with their MSLP loans:

MOSTARS Information Center  
3515 Amazonas Drive  
Jefferson City, MO 65109  
(800) 473-6757 or  
(573) 751-3940. ★

### FFEL Program

Beth Ziehmer  
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## Crossword Puzzle Answer Key

For those of you who tried your hand at the crossword puzzle in our April 2000 issue, here is the answer key:

### Across

- The new Common Manual policy exempts in-school DEFERMENT only from the six-month backdating rule.
- All INSTITUTIONS are required to use the MPN for loan periods starting on or after July 1, 2000, and for loans certified on or after July 1, 2000.
- The main benefit of the Mapping Your Future Electronic Counseling is more FLEXIBILITY for schools.
- The National Council of Higher Education Loan Programs, Inc., MPN Implementation Guide can be DOWNLOADED from the NCHelp web site.
- It is the lender's responsibility to ensure a completed MPN is on file before funds are disbursed.
- Mapping Your Future is a national web site sponsored by GUARANTORS throughout the country.

### Down

- School or lender clients can order a variety of FORMS through the MOSTARS web site.
- The electronic counseling sessions require students to complete a test on which they must score at least 70 percent in order for the CONFIRMATION document to print.
- The lender can bill the U.S. Department of Education for INTEREST benefits on a subsidized Federal Stafford Loan beginning on the date the borrower's qualifying enrollment begins.
- The Missouri Student Loan Program supports the early IMPLEMENTATION of the exemption from the six-month backdating rule for in-school deferments.
- Most institutions have indicated they will use the AWARD letter process to document the student's desire to borrow a loan.
- Mapping Your Future provides information about career planning and DEFAULT prevention.

## Common Manual, from page 1

Otherwise, the MSLP's current policy regarding claim file documentation remains unchanged, pending future implementation of the standardized claim form and associated policies.

In addition, the MSLP will eliminate its current policy exception to Common Manual section 9.4, Consolidation Disbursement. Presently, the MSLP requires the consolidating lender to disburse a consolidation loan within 60 days of receiving completed verification certificates from the holder(s) of all loans to be consolidated. The MSLP also now requires that discrepancies be resolved within 90 days of notification to the consolidating lender that the underlying loan was not paid in full. These two requirements will be eliminated effective for applications received by consolidating lenders on or after July 1, 2000.

In the July 2000 update of the Common Manual, the MSLP's entry in Appendix C will include only the MSLP-specific policies listed below. Note that each of these policies is currently in place, listed in the July 1999 Common Manual update under the MSLP's Appendix C entries, and none will be revised for the July 2000 Common Manual update.

### Common Manual subsection 6.2.G., Reissuing a Loan Disbursement

When a school determines that a loan disbursement needs to be reissued, the school must request the reissue no later than 120 days after the original disbursement date.

### Common Manual section 7.3, Verification of Enrollment

The MSLP reports an enrollment status update received from the borrower only when the school verifies the update.

### Common Manual subsection 7.3.A., Lender Processing of Enrollment Changes and Common Manual subsection 7.3.B., Lender Reporting of Enrollment Changes

The MSLP requires the lender to verify in written or electronic format any report it receives of a new or changed out-of-school date from a source other than the school. A lender may accept a written or electronic report of a new or changed out-of-school date from a source other than the school only when the school is clearly identified as the contributor of the information and a school certification date is provided.

### Common Manual subsection 7.8.E., Funds Returned by the School

When the school's return of funds to the lender is timely, funds that the lender receives from a school when a student withdraws must be applied to the outstanding principal balance of the loan with an effective date of the lender's receipt of returned loan proceeds.

When the school's return of funds to the lender is untimely, funds that the lender receives from a school when a student withdraws must be applied to the original principal balance with an effective date of the original disbursement. Any accrued interest must be recalculated based on the new, reduced principal balance. The lender may bill the school for any ineligible accrued interest and special allowance.

### Common Manual section 9.2, (Consolidation) Borrower Eligibility and Underlying Loan Holder Requirements

The MSLP requires that all defaulted loans to be included in the Consolidation Loan be held by the MSLP. The consolidating lender must contact the MSLP directly on a case-by-case basis upon application by a borrower who wants to include one or more defaulted loans held by the U.S. Department of Education in a Consolidation Loan guaranteed by the MSLP.

If you have questions concerning the MSLP's guarantor-specific policies, contact MSLP Policy Analyst Carolyn Brown, (573) 751-1767. ★

## SLCS Provides Positive Reinforcement to Borrowers

Student Loan Counseling Service, MOSTARS' new default aversion/prevention partner, will mail a congratulations card to provide positive reinforcement to borrowers who bring their student loan accounts current. The stuffer contains a tear-off information card with Student Loan Counseling Service's toll-free phone number and web site as well as information regarding options to avoid default.

SLCS will mail the stuffer when the loan holder or servicer notifies MOSTARS that the borrower's account is current. SLCS will continue to be a resource for borrowers regarding student loan repayment options until the borrowers' loans are paid in full. ★



# Treatment of Federal LEAP Funds in Calculation of Return of Title IV Funds

The federal Leveraging Educational Assistance Program, formerly known as the State Student Incentive Grant Program, continues to provide federal matching funds to states for need-based student grants. The LEAP funds are matched by the individual states with state-appropriated dollars. In Missouri, the LEAP funds and the state matching funds are appropriated for student grants through the state's Charles Gallagher Student Financial Assistance Program.

LEAP funds are identified as Title IV funds and must be treated as federal grants in the return of Title IV funds when a student withdraws. GEN-89-38 provided initial guidance on the treatment of SSIG funds by stating "if a state agency specifically identifies to an institution a student's state grant is SSIG-funded, then the institution must consider the funds received by that student under that grant program as Title IV funds for the purposes of 668.22." Furthermore, in its December 1999 newsletter, the National Association of Student Financial Aid Administrators clarified the U.S. Department of

Education's position regarding the LEAP program by reporting that the guidance provided in GEN-89-38 relating to SSIG funds continues to apply to LEAP funds.

The cover memorandum that is mailed by MOSTARS to the institutions along with the Gallagher Program check/disbursement rosters provides codes that explain and identify the funding for each individual student grant. For example, an "S" code identifies a state funded grant and an "F" code identifies federally (LEAP) funded grants. These codes are listed on the check/disbursement rosters for each individual grant so institutions can determine if a grant should be included in the calculation of return of Title IV funds.

If you have questions, call Dan Peterson, MOSTARS deputy director, at (573) 526-7958 or any of the compliance staff at (800) 473-6757. ★

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FFEL  
Program

## MOSTARS Offers Default Prevention Training

MOSTARS is now offering default prevention and debt management training for interested postsecondary institutions and financial aid organizations. Training topics are tailored to the audience as listed below.

### Default Prevention on Campus

- ★ Counseling Techniques; Default Prevention Tools
- ★ Default Prevention Borrower Contact Techniques (e.g., grace period contact)
- ★ Delinquency Timeline; Perspectives on Delinquency and Default Prevention
- ★ Delinquency Intervention; Utilizing Guaranty Agency Reports

### Cohort Default Rates

- ★ Calculation of the Cohort Default Rate; Benefits and Consequences of Rates
- ★ The Cohort Default Rate Process: Draft Rates, Official Rates, Appeals

### Miscellaneous Topics

- ★ Lender/Service and Guarantor Default Aversion Activities for Delinquent Loans
- ★ Consequences of Default; Guaranty Agency Collection Techniques

Each training session will include a resource guide and training materials, including:

- ★ Sample Guaranty Agency Reports,
- ★ Sample Borrower Correspondence,
- ★ Sample Loan Counseling Test,
- ★ Cohort Default Rate Original Repayment Start Date Reference Table and
- ★ MOSTARS Default Prevention Publications.

If you are interested in receiving training or hosting a training session, contact CariAnne Cutshall, MOSTARS student assistance associate, at (573) 522-2008, (800) 473-6757 or ccutshal@admin.mocbhe.gov. Generally, training can be provided within two weeks of the request. ★

CariAnne Cutshall  
(573) 522-2008  
USER ID: ccutshal

MOSTARS  
News

# 350 Sixth Graders Attend St. Louis College Expo

## MOSTARS News

Richard Presberry  
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**M**OSTARS and the St. Louis GEAR UP, INC! Project sponsored the attendance of 350 sixth graders and 50 parents and teachers at the Metropolitan St. Louis Countdown to College Expo, held March 24 at the America's Center TWA Dome.

The College Expo provided students and their families an opportunity to meet with college and university admission representatives and college guidance professionals. This event assisted students with their countdown to college planning, selection and financing.

GEAR UP, INC!, a partnership among stakeholders in the education of St. Louis youth, is committed to creating and sustaining a culture of high achievement and high expectation that empowers students and their families to take full advantage of higher education opportunities — to be able to dream, to believe and to achieve the highest goals possible from success in college and life careers.

MOSTARS' goal for the first year as a GEAR UP partner is to provide targeted St. Louis sixth graders and their families resources, assistance and services that will make them aware of postsecondary education options and financial resources that will allow them to access education beyond high school.



Dr. E. Lynn Suydam, center, president of St. Louis Community College at Meramec, describes the opportunities available to students at St. Louis Community College.



A ribbon-cutting ceremony kicks off the St. Louis College Expo. Taking part were, from left, Dr. John Wittstruck, deputy commissioner of the Department of Higher Education; William J. Humpfer, president of St. Louis Community Credit Union; Dr. Patricia Nichols, vice president for academic and student affairs at Harris-Stowe State College; Bob Holden, Missouri treasurer; and John Davis, St. Louis mayor's attache.

In addition to receiving important information, students participated in fun activities that featured clowns, a magician, lunch and a guest speaker, Elliott Davis, who is a news reporter for Channel 2 in the St. Louis area. Davis talked to the students about growing up in St. Louis in a poor neighborhood and eventually attending Cornell University. He told them they could "be whatever [they] want to be."

The College Expo is consistent with MOSTARS' outreach and early awareness mission to provide Missouri families student financial assistance for college and early awareness of educational opportunities.★



# Resources

## on the World Wide Web

MOSTARS ★ 3515 Amazonas Drive ★ Jefferson City, MO 65109 ★ (800) 473-6757 ★ (573) 751-3940

### STUDENT & PARENT RESOURCES

MOSTARS .....	www.mocbhe.gov
MOHELA .....	www.mohela.com
Sallie Mae.....	www.salliemae.com
ACT .....	www.ACT.org
College Board .....	www.collegeboard.com
Jump\$tart Coalition .....	www.jumpstartcoalition.org
Mapping Your Future (college, career & financial aid information) .....	www.mapping-your-future.org
Peterson's (education and career information) .....	www.petersons.com
Access America for Students (student gateway to the U.S. government) .....	www.students.gov
Office of Postsecondary Education Information for Students.....	www.ed.gov/offices/OPE/Students/
College Is Possible.....	www.collegeispossible.org
College Opportunities On-Line (COOL).....	www.nces.ed.gov/ipeds/cool
Think College Early.....	www.ed.gov/thinkcollege/early
Wired Scholar (college preparation, selection, application & financing information) .....	www.wiredscholar.com
FAFSA on the Web .....	www.fafsa.ed.gov
Alternatives to FAFSA on the Web.....	www.ed.gov/offices/OPE/express.html
The Student Guide (financial aid information) .....	www.ed.gov/prog_info/SFA/StudentGuide/
The SmartStudent™ Guide to Financial Aid .....	www.finaid.org
FastWEB (scholarship search) .....	www.fastWEB.com
Hope Scholarship & Lifetime Learning Tax Credits .....	www.ed.gov/inits/hope
Missouri Saving for Tuition (MO\$T) Program.....	www.missourimost.org
Federal Direct Loan Program.....	www.ed.gov/offices/OPE/DirectLoan/
Guide to Defaulted Student Loans .....	www.ed.gov/offices/OPE/DCS/
Credit Card Nation.....	www.creditcardnation.com

### SFA & HIGH SCHOOL ADMINISTRATOR RESOURCES

Missouri Association of Student Financial Aid Personnel (MASFAP).....	www.masfap.com
Midwest Association of Student Financial Aid Administrators (MASFAA) .....	www.masfaaweb.org
National Association of Student Financial Aid Administrators (NASFAA) .....	www.nasfaa.org
National Council of Higher Education Loan Programs, Inc. (NCHelp) .....	www.nchelp.org
National Association of College & University Business Officers (NACUBO) .....	www.nacubo.org
American Association of Collegiate Registrars & Admissions Officers .....	www.aacrao.com
American Council on Education .....	www.acenet.edu
Selective Service .....	www.sss.gov
U.S. House & Senate.....	thomas.loc.gov
U.S. Department of Education .....	www.ed.gov
Office of Postsecondary Education.....	www.ed.gov/offices/OPE
Advisory Committee on Student Financial Assistance .....	www.ed.gov/offices/AC/ACSFA
U.S. Department of Education Information for Financial Aid Professionals .....	www.ifap.ed.gov
U.S. Department of Education Financial Responsibility Page .....	www.ed.gov/offices/OPE/PPI/finanrep.html
National Student Loan Clearinghouse.....	www.nslc.org
Office of Inspector General .....	home.gvi.net/~edoig
Federal Register .....	www.access.gpo.gov/su_docs/aces/aces140.html
Application for Approval to Participate in Federal SFA Programs .....	www.eligcert.ed.gov
Title IV Institution Codes.....	www.ed.gov/offices/OSFAP/Students/apply/search.html
Reauthorization of the Higher Education Act .....	www.ed.gov/offices/OPE/PPI/Reauthor/

MOSTARS is the student assistance division of the Missouri Department of Higher Education.

(4/00)

# e\*CLIPs Users

## Production Schools

Assemblies of God Theological Seminary  
 Avila College  
 Central Bible College  
 Central Methodist College  
 Cleveland Chiropractic College  
 Cottey College  
 Crowder College  
 Evangel University  
 Forest Institute of Professional Psychology  
 Franklin Technology Center  
 Hannibal-LaGrange College  
 Jefferson College  
 Jewish Hospital College of Nursing  
 Lester Cox College of Nursing and Health  
 Lincoln University  
 Lutheran Medical Center School of Nursing  
 Mineral Area College  
 Missouri Baptist College  
 Missouri Technical School  
 Missouri Western State College  
 Moberly Area Community College  
 Ozark Christian College  
 Ozark Technical Community College  
 Southeast Missouri Hospital College  
 Southeast Missouri State University  
 Southwest Baptist University  
 Southwest Missouri State University  
 Springfield College  
 Stephens College  
 Truman State University

## Beta Schools

Calvary Bible College  
 Drury University  
 Missouri Valley College  
 Penn Valley Community College  
 Rockhurst University  
 Saint Luke's College  
 Sikeston Career & Technology Center  
 Southwest Missouri State University -  
 West Plains  
 The University of Health Sciences  
 Waynesville Technical Academy  
 Westminster College  
 Fontbonne College

## Lenders

Commerce Bank  
 edsouth/Union Planters  
 Educaid  
 Educational Employees Credit Union  
 Mercantile Bank-Lawrence  
 St. Louis Community Credit Union  
 Wells Fargo  
 ATOM

See related story on page 14.

The implementation schedule for MOSTARS' grant, scholarship and loan program web projects can be viewed on our web site at  
[www.mocbhe.gov/mostars/present/index.htm](http://www.mocbhe.gov/mostars/present/index.htm).

# New MOSTARS Advisory Board Established

## MOSTARS News

Dan Peterson  
(573) 526-7958  
User ID: danp

**A**mong the findings related to financial access reported by the Missouri Commission on the Affordability of Higher Education was that "Missouri has significantly increased access to student financial aid through the development of new, targeted financial aid programs. However, the development of these new programs has increased the administrative burden on postsecondary institutions and has added to the confusion students and families' experience in the financial aid application and delivery process." The commission also found that "information to students and families concerning postsecondary educational opportunities and what they are expected to pay is uncoordinated, sometimes unclear and often presented

in formats not accessible to or understandable by the average consumer."

Based on these and other findings, the commission made several recommendations to improve financial access to and consumer information about the state's system of higher education. To implement the commission's financial access and consumer information recommendations, the Coordinating Board for Higher Education approved the establishment of the new MOSTARS Advisory Board.

The composition of the 18-member board includes individuals representing all sectors of Missouri higher education.

### Number of members

1  
2  
4  
  
2  
1  
1  
1  
1  
1  
1  
4

### Representation

Coordinating Board for Higher Education member  
Missouri citizens  
Presidents, chancellors and directors of private career schools  
representing all sectors of Missouri postsecondary education  
State legislators (one senator and one representative)  
Vice president for student affairs  
Vice president for finance or fiscal affairs  
Governor's Office staff  
Chairman of MOHELA's Board of Directors  
Department of Elementary and Secondary Education staff member  
Students from all Missouri postsecondary education sectors

Dr. Henry Givens, Jr., president of Harris-Stowe State College, will serve as a special appointment representing the Congressional Advisory Committee on Student Financial Assistance. Furthermore, representatives from the Missouri Association of Student Financial Aid Personnel, Missouri School Counselors Association and Missouri Association of College Admissions Counseling have been invited to serve as advisors to the board.

The advisory board will help guide the Coordinating Board's efforts to develop and implement:

- ★ an integrated policy framework for student financial aid programs,
- ★ an improved consumer information reporting system,
- ★ successful early awareness and outreach programs and
- ★ student loan default prevention and debt management strategies.

At this time, it is planned that the MOSTARS Advisory Board will meet three times each year, in conjunction with regularly scheduled Coordinating Board meetings in February, June and December. ★

# MPN Processing Chart Developed

Judy Cantoni  
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USER ID: JUDYC

FFEL  
Program



MOSTARS has developed a Master Promissory Note Processing Chart, which explains the various processing codes to be used when submitting loans for guarantee. This chart references lenders and schools that use e\*CLIPS and CLIPS for Windows and for lenders who process loan applications manually. If you need further assistance with your institution's implementation of the MPN, contact the MOSTARS Information Center at (800) 473-6757 or your MOSTARS client service representative. ★

## School/Lender e\*CLIPS CL4 Process

Processing Type Code	Serial Loan Code	Existing MPN	GuaranTec* Mainframe Process	Loan Code Returned in the Guarantor "Use Only" Field	Printed by Guarantor	Monies Disbursed by ATOM
GO	New	N/A	An MPN will be considered new if it is received with an "N" in the Serial Loan Code field. Guarantor will not search its database for an existing loan. Guarantor will calculate the MPN expiration date by adding 10 years to the <u>school certified date</u> . This expiration date will be added to the loan segment screen on the guarantor mainframe and will be used for subsequent serial MPN loans.	New	An MPN will not be printed by Guarantor.	Monies will disburse once P-Note verification is received.
GO	Serial	Yes	Guarantor will do a search of its database to determine if a valid MPN exists for the borrower. For an MPN to be considered valid, the MPN cannot be expired (the expiration date must be greater than the current date) and the serial loan must be for the same lender (the branch code will be ignored for MSLP clients). <u>If a valid MPN exists</u> , Guarantor will process the application as a serial loan.	Serial	An MPN will not be printed by Guarantor.	Monies will disburse according to the scheduled disbursement dates. This is effective for loans guaranteed on or after March 1, 2000.
GO	Serial	No	Guarantor will do a search of its database to determine if a valid MPN exists for the borrower. For an MPN to be considered valid, the MPN cannot be expired (the expiration date must be greater than the current date) and the serial loan must be for the same lender (branch code will be ignored for MSLP clients). <u>If a valid MPN does not exist</u> , Guarantor will process the application as a new loan.	New	An MPN will not be printed by Guarantor.	Monies will disburse once P-Note verification is received.

\*Guarantor is the contracted servicer for MSLP.

(MPN Processing Chart continued on page 11)

## School/Lender e\*CLIPS CL4 Process (continued)

Processing Type Code	Serial Loan Code	Existing MPN	GuaranTec* Mainframe Process	Loan Code Returned in the Guarantor "Use Only" Field	Printed by Guarantec	Monies Disbursed by ATOM
GP	New	N/A	An MPN will be considered new if it is received with an "N" in the Serial Loan Code field. Guarantec will not search its database for an existing loan. Guarantec will calculate the MPN expiration date by adding 10 years to the <u>school certified date</u> . This expiration date will be added to the loan segment screen on the guarantor mainframe and will be used for subsequent serial MPN loans.	New	An MPN will be printed by GuranTec and mailed to the school or borrower as directed by the school.	Monies will disburse once P-Note verification is received.
GP	Serial	Yes	Guarantec will do a search of its database to determine if a valid MPN exists for the borrower. For an MPN to be considered valid, the MPN cannot be expired (the expiration date must be greater than the current date and the serial loan must be greater than the current date) and the serial loan must be for the same lender (the branch code will be ignored for MSLP clients). <u>If a valid MPN exists</u> , Guarantec will process the application as a serial loan.	Serial	An MPN will not be printed by GuranTec.	Monies will disburse according to the scheduled disbursement dates. This is effective for loans guaranteed on or after March 1, 2000.
GP	Serial	No	Guarantec will do a search of its database to determine if a valid MPN exists for the borrower. For an MPN to be considered valid, the MPN cannot be expired (the expiration date must be greater than the current date) and the serial loan must be for the same lender (the branch code will be ignored). <u>If a valid MPN does not exist</u> , Guarantec will process the application as a new loan.	New	An MPN will be printed by GuranTec and mailed to the school or borrower as directed by the school.	Monies will disburse once P-Note verification is received.

\*Guarantec is the contracted servicer for MSLP.

(MPN Processing Chart continued on page 12)

Missouri Student Loan Program ATOM Statistics			
FFY 2000 Quarter 2		Cumulative: August 1995 to March 2000	
<u>Disbursements</u> 49,578		<u>Disbursements</u> 435,689	
<u>Amount Disbursed</u>		<u>Amount Disbursed</u>	
By EFT	\$67,625,059	By EFT	\$493,840,676
By Check	\$11,982,491	By Check	\$224,590,851
TOTAL	\$79,607,551	TOTAL	\$718,431,527

# Lender Manual Process

Scenario	How Keyed/Processed by GuaranTec*	Printed by GuaranTec	Monies Disbursed by ATOM
A signed MPN and School Certification is received by GuaranTec.	GuaranTec will key the application with a GO Processing Type Code and a New Serial Loan Code. GuaranTec will not search its database for an existing loan and will treat the loan as a new MPN.	An MPN will not be printed by GuaranTec (because it already exists). The MPN received will be forwarded to the lender.	Monies will disburse once P-Note verification is received.
A signed MPN, but no School Certification, is received by GuaranTec.	GuaranTec will contact the school and request the School Certification form. GuaranTec will not process an MPN without the School Certification form.	N/A	N/A
A School Certification form is received by GuaranTec. A valid MPN exists on the GuaranTec system.	GuaranTec will key the application with a GO Processing Type Code and a Serial Serial Loan Code. GuaranTec will do a search of its database to determine if a valid MPN exists for the borrower. <u>If a valid MPN exists</u> , GuaranTec will process the application as a serial loan.	An MPN will not be printed by GuaranTec. The School Certification form will be forwarded to the lender if instructed to do so by the school.	Monies will disburse according to the scheduled disbursement dates. This is effective for loans guaranteed on or after March 1, 2000.
A School Certification form is received by GuaranTec. No valid MPN exists on the GuaranTec system.	GuaranTec will do a search of its database to determine if a valid MPN exists for the borrower. <u>If a valid MPN does not exist</u> , GuaranTec will process the application as a new loan.	An MPN will be printed by GuaranTec and mailed to the school or borrower if directed by the school.	Monies will disburse once P-Note verification is received.

\*GuaranTec is the contracted servicer for MSLP.

- ★ The GO (Guarantee Only) and GP (Guarantee and Print) refers to whether GuaranTec is going to print the MPN. A GP means that GuaranTec will print the MPN and mail it to the school or borrower (at his or her permanent address) as the school has directed. A GO means that GuaranTec will not print the MPN.
- ★ The Serial Loan Code refers to how the loan was processed — whether it was processed as a new loan, in which case an MPN needs to be printed, or as a serial loan, in which case an MPN does not need to be printed. The Serial Loan Code does not indicate who is going to print the MPN, only that one needs or does not need to be printed.
- ★ Trading partners who also are CommonLine<sup>SM</sup> 4 will receive the same information as the submitting institution for guaranteed MPN loans. Institutions that receive records in GuaranTec's proprietary format (1360) will always receive guaranteed MPN loans as new.
- ★ CLIPS for Windows does not currently support serial MPN processing. Institutions using CLIPS for Windows may submit MPN applications for guarantee. However, all MPNs submitted will be processed as new MPN loans, and an MPN will print based on GuaranTec's print table.
- ★ The GuaranTec mainframe system also checks to verify the institution is eligible for serial processing. If a serial MPN is received for a non-serial institution, GuaranTec will process it as a new MPN loan.
- ★ The GuaranTec mainframe system does not have the ability to check the records of other guarantors. Therefore, if a serial MPN is received from a borrower who has prior loans from the same lender but guaranteed through another guarantor, the application will be treated as a new loan. ★

## Updated Publications Now Available

- ★ "Need Money for College? Missouri Grants, Scholarships, Loans, and More"
- ★ "What is MOSTARS?"

NOTE: The full text of "How to Save and Assist With Paying for College Costs" is available on our web site. Some information from this brochure also is available in other MOSTARS publications.

## Eligible Lender List Changes

**C**lients who use the Missouri Student Loan Program Combined Eligible Lender List should make note of the following changes. New lists are printed upon request, so your list may already have these changes. Refer to the effective date of the changes and compare them to the date listed at the lower left corner of your list to determine whether or not you should pencil in these changes.

### Additions

Firststar Bank c/o Sallie Mae, OE 802844-00  
Eligibility: Sub, Sub Pre, Unsub, Unsub Pre, PLUS, PLUS Pre  
Added March 2, 2000

Key Bank as Trustee for EMT Corp, OE 833495-00  
Eligibility: Sub, Unsub, PLUS  
Added March 6, 2000

SunTrust Bank c/o Sallie Mae/FL, OE 820564-00  
Eligibility: Sub, Sub Pre, Unsub, Unsub Pre, PLUS, PLUS Pre  
Added March 13, 2000

### Changes

First National Bank - Chicago/EFG, OE 833471-50  
New Name: EFG Educational Loan Trust  
Change made March 16, 2000

First National Bank - Chicago/EFG, OE 833471-00  
New FICE Lender Name: EFG Educational Loan Trust  
Change made March 16, 2000

### Removed

Heartland Community Credit Union c/o MOHELA,  
OE 830134-00 & -50  
Removed March 13, 2000

CariAnne Cutshall  
(800) 473-6757 or  
(573) 522-2008  
USER ID: ccutshal

Participation  
Lists

To request an MSLP Combined Eligible Lender List, call the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940.

For more information, refer to the August 1998 issue of FFELPfacts. You also can view a sample of the list in the October 1998 issue of the MOSTARS newsletter.

The list also is available on the MOSTARS web site at [www.mocbhe.gov/mostars/lnrlist.pdf](http://www.mocbhe.gov/mostars/lnrlist.pdf). ★

## Mapping Your Future Initiates Electronic Newsletter

**M**apping Your Future has

initiated a new Early Awareness Electronic newsletter. April was the premiere month for this newsletter, which is geared toward middle school and high school counselors. It provides college, career and financial planning information as well as tips and ideas for working with students. You can subscribe to this informative new service by visiting the MYF site at [www.Mapping-Your-Future.org](http://www.Mapping-Your-Future.org) and clicking on the Services link; from there, click the Early Awareness E-News link. ★

Judy Cantoni  
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# e\*CLIPS Introduces Multiple Guarantor Functionality

e\*CLIPS  
News

Keith Broadus  
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kbroadus

On March 30, the e\*CLIPS loan processing software product introduced functionality that enables its users to submit application data to other guaranty agencies in addition to the MSLP. e\*CLIPS users can submit application data to the following guarantors: Tennessee Student Assistance Corporation, United Student Aid Funds, Student Loan Guaranty Foundation of Arkansas, National Student Loan Program (Nebraska) and the Great Lakes Higher Education Corporation. e\*CLIPS clients are required to contact their MOSTARS client service representative

before submitting applications to these guarantors for e\*CLIPS processing. Additional guarantors will be added to e\*CLIPS as testing with those entities is completed.

e\*CLIPS is an Internet-based student loan processing software product offered by the MSLP and developed by Guarantec. Contact your MOSTARS client service representative for further information regarding e\*CLIPS multiple guarantor functionality or to find out more about e\*CLIPS. Clients also can contact Keith Broadus, senior associate-technology, at (573) 526-0876. ★

The Missouri Department of Higher Education makes every effort to provide program accessibility to all citizens without regard to disability. If you require this publication in an alternate form, contact the MOSTARS Information Center at (800) 473-6757 or (573) 751-3940. Hearing/speech impaired can call (800) 735-2966.

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FIRST CLASS

MOSTARS, a division of the Coordinating Board for Higher Education, publishes this newsletter to inform Missouri's financial aid community of current issues concerning the Missouri Student Loan Program and the Missouri Grant and Scholarship Programs.

Dr. Ray Henry .....CBHE Chairman  
Dr. Kala M. Stroup.....Commissioner  
of Higher Education  
Karen Misjak .....MOSTARS Director